

MEMORANDUM
#05-05

TO: All State Organizations

FROM: Trisha L. Neely, Director

DATE: December 20, 2004

SUBJECT: VENDOR PAYMENTS

We have received several complaints from vendors concerning inadequate or miscoding of payment information on payment vouchers. For example, Verizon Wireless has received payments for Verizon telephone bills and vice versa, Cannon Business Solutions has received payments for Cannon Financial Services and vice versa. These vendors are separate businesses that do not communicate with each other. In lots of instances, however, payments have been made to incorrect vendors whose names do not resemble.

All areas of the Payment Voucher are important to be filled out in order for the vendor to properly credit your payment to the correct account and for the information to be reflected accurately in DFMS. Two areas are extremely important to the vendor: the vendor name and address; and the vendor invoice. If the vendor name and address are incorrect, the payment will be made to an incorrect vendor as in the examples above. The vendor's invoice number is equally important because it tells the vendor which account to credit the payment. In many instances, if the vendor invoice number is missing, the vendor has credited the payment to the most delinquent State of Delaware account. When this happens, it may take months to determine what has gone wrong and to get the situation corrected which is frustrating and unproductive for you, the vendor and the Division of Accounting.

Correct information on payment vouchers is even more critical when processing vendor payments electronically. Please ensure that proper internal control procedures are in place to detect when mistakes are made for recording Vendor information. Please also place the Vendor invoice on all payment vouchers and any other correspondence the vendor will receive.